The Real Estate ANALYST

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Roy Wenzlick
Editor

A concise easily digested monthly analysis based upon scientific research in real estate fundamentals and trends...Constantly measuring and reporting the basic economic factors responsible for changes in trends and values...Current Studies...Surveys...Forecasts

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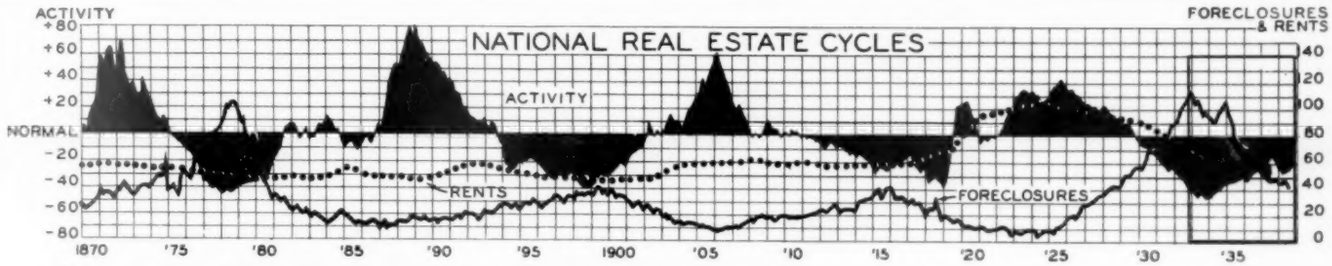
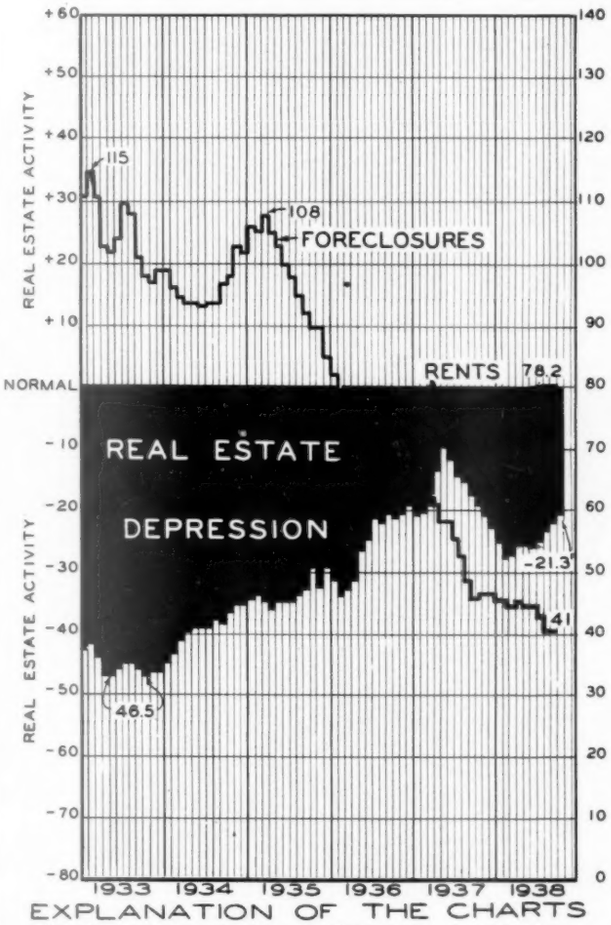
VOLUME VII

Real Estate Economists, Appraisers and Counselors





EXPLANATION OF THE CHARTS

The charts above show booms and depressions in real estate from 1870 to the present. The large black areas above the line represent the real estate booms and the black areas below the line represent the real estate depressions.

The level of residential rents, indicated by the dotted red line, is charted, not as a percentage above or below a normal line, but as an index (1926=100) from the bottom of the chart and is read on the right hand scale, as is the index of the number of foreclosures per month per 10,000 families, shown by the solid red line. The lower chart is the last six years of the upper chart enlarged to show monthly fluctuations.

REAL estate sales, after correction for seasonal influences, increased for the fourth consecutive month, bringing them back to the level of November of last year. Foreclosures continued at the level of the preceding month, which is the lowest point since the stock market collapsed in 1929.

New residential building continued at a rate 86% above a year ago. Commercial building was practically equal to the corresponding month of a year ago, and industrial building was slightly ahead. Educational building, hospital, and other semi-public building shot far above the corresponding month of a year ago.

Rents dropped by two-tenths of a per cent on a national basis. Real estate bonds increased sharply, reflecting the general rise in security prices. The average of office building vacancy in all principal cities decreased by 0.14% from May to October.

General business continues to improve at a rather rapid rate. The outlook for the winter and spring seems bright in spite of the disturbing situation in Germany. We think, however, that any prospects of a European war are at least two years in the future.

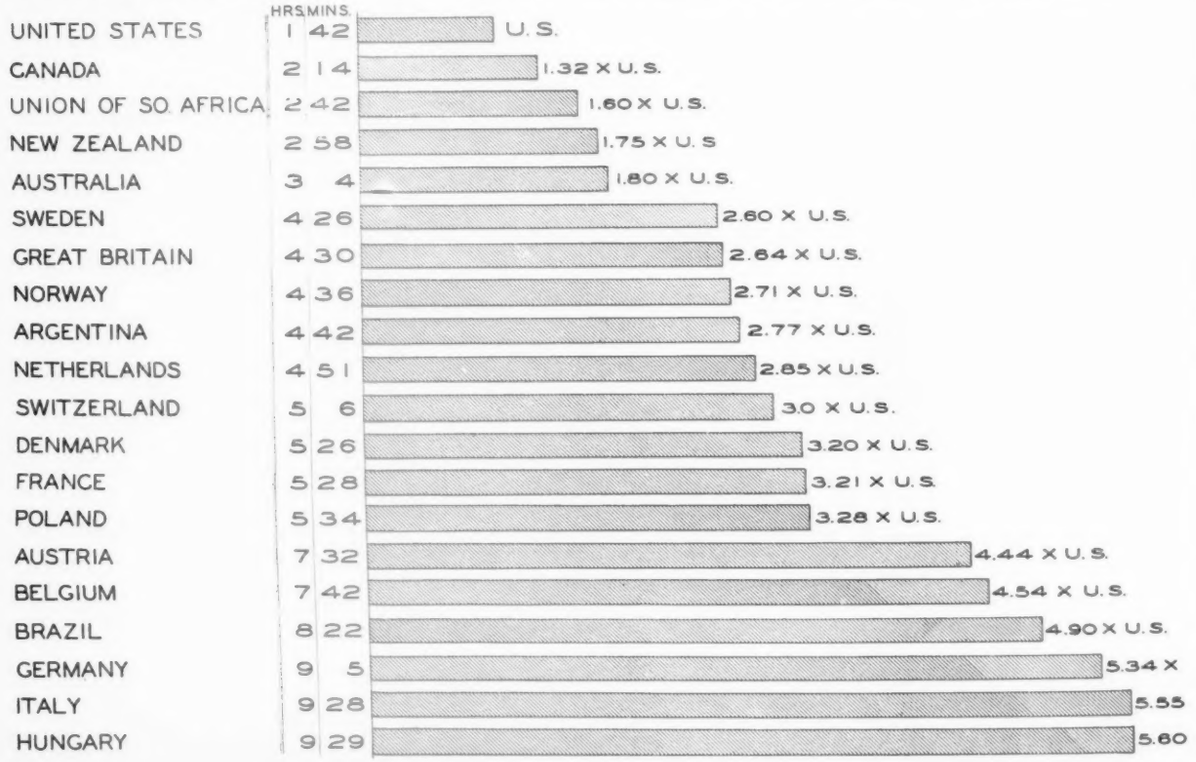
IS AMERICAN LABOR WELL PAID ?

IN an effort to determine the relative purchasing power of building wages in the United States and in other countries, the hourly wages of bricklayers, carpenters, plasterers, painters, and electricians were averaged for each country for October, 1937, the last date for which the figures could be secured in all countries. On the chart below these wages are expressed in the hours and minutes required by a skilled building mechanic in each country to earn the cost of the "international basket of provisions". This "international basket of provisions", computed by the International Labor Office, consists of fourteen staples of food in the amounts approximating the average weekly consumption of an adult man.

The average wage of a skilled mechanic in the United States was computed by averaging the figures of the cities of New York, Chicago, St. Louis, and San Francisco. In a number of the more important European countries a similar method was used in averaging the figures for a number of different cities.

The figures on the chart below following the name of each country show the number of hours and minutes of a skilled building mechanic's time required in that country to earn his basket of provisions. The figures following all bars except the bar for the United States show the relationship of the time required in that country to the time required in the United States. For instance, in Hungary the skilled mechanic must work nine hours and twenty-nine minutes, or 5.6 times the one hour and

TIME REQUIRED BY SKILLED BUILDING MECHANICS IN 20 COUNTRIES TO PAY FOR A STANDARD FOOD BASKET


HRS. MINS.
UNITED STATES 1 42 U.S.
CANADA 2 14 1.32 X U.S.
UNION OF SO. AFRICA 2 42 1.60 X U.S.
NEW ZEALAND 2 58 1.75 X U.S.
AUSTRALIA 3 4 1.80 X U.S.
SWEDEN 4 26 2.60 X U.S.
GREAT BRITAIN 4 30 2.64 X U.S.
NORWAY 4 36 2.71 X U.S.
ARGENTINA 4 42 2.77 X U.S.
NETHERLANDS 4 51 2.85 X U.S.
SWITZERLAND 5 6 3.0 X U.S.
DENMARK 5 26 3.20 X U.S.
FRANCE 5 28 3.21 X U.S.
POLAND 5 34 3.28 X U.S.
AUSTRIA 7 32 4.44 X U.S.
BELGIUM 7 42 4.54 X U.S.
BRAZIL 8 22 4.90 X U.S.
GERMANY 9 5 5.34 X
ITALY 9 28 5.55
HUNGARY 9 29 5.60

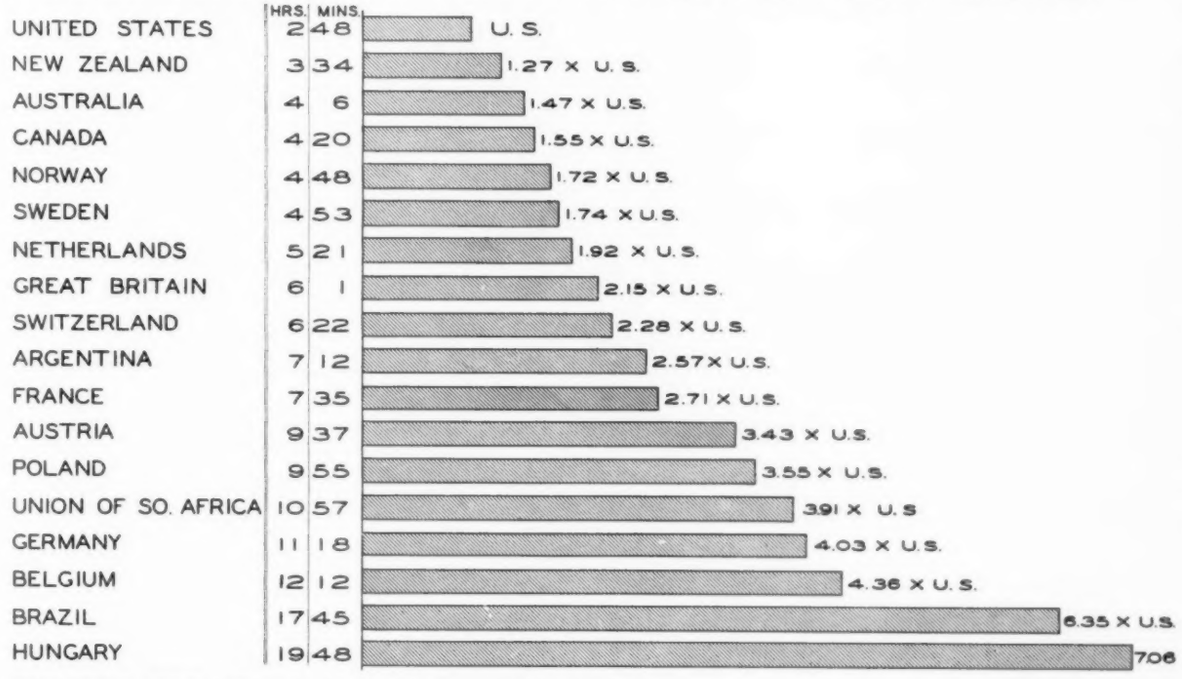
forty-two minutes required in the United States to earn the equivalent of the standard basket of provisions.

The chart at the bottom of this page is prepared in the same fashion as the chart on the opposite page, but it covers unskilled building labor. Several newly developed countries appear in different order on this chart than they do on the chart for skilled mechanics; due primarily, we think, to the fact that native labor of low efficiency is used in these countries on unskilled jobs. This is true particularly of the Union of South Africa, which appears third on the list for skilled mechanics, but fourteenth on the list for unskilled.

A skilled building mechanic must work for a longer period to earn the standard basket of provisions in all countries with the exception of Canada, the United States, and the Union of South Africa than an unskilled worker does in the United States. The American unskilled laborer in the building field has a purchasing power for his real wages 3.25 times the purchasing power of the skilled building mechanic in Germany and 3.4 times the purchasing power of the skilled building worker in Italy.

It will be noted that, as a general rule, the democracies rank highest, particularly in the earnings of the skilled mechanics, and that the dictatorships rank lowest. We think that the reason for this arrangement is that in the democracies greater economic freedom has encouraged individual initiative to increase productive capacity; and in the last analysis, more cannot be paid out in wages than is produced.

TIME REQUIRED BY UNSKILLED BUILDING LABORERS IN 20 COUNTRIES TO PAY FOR A STANDARD FOOD BASKET


HRS. MINS.
UNITED STATES 2 48 U. S.
NEW ZEALAND 3 34 1.27 X U. S.
AUSTRALIA 4 6 1.47 X U.S.
CANADA 4 20 1.55 X U.S.
NORWAY 4 48 1.72 X U.S.
SWEDEN 4 53 1.74 X U.S.
NETHERLANDS 5 21 1.92 X U.S.
GREAT BRITAIN 6 1 2.15 X U.S.
SWITZERLAND 6 22 2.28 X U.S.
ARGENTINA 7 12 2.57X U.S.
FRANCE 7 35 2.71 X U.S.
AUSTRIA 9 37 3.43 X U.S.
POLAND 9 55 3.55X U.S.
UNION OF SO. AFRICA 10 57 3.91 X U.S
GERMANY 11 18 4.03 X U.S.
BELGIUM 12 12 4.36 X U.S.
BRAZIL 17 45 6.35 X U.S.
HUNGARY 19 48 706

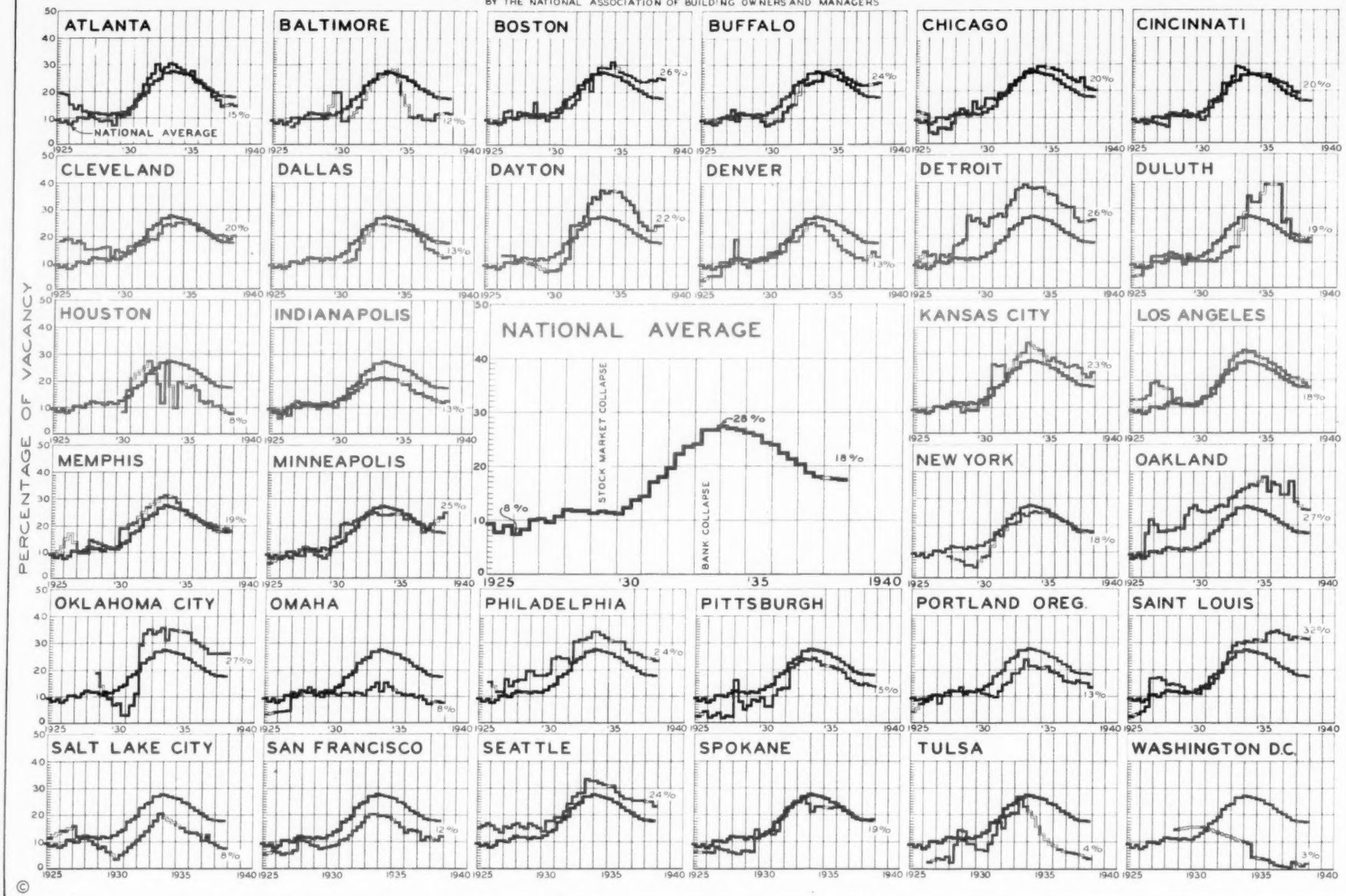
FIGURES FOR ITALY ARE NOT AVAILABLE

FIGURES FOR DENMARK ARE NOT AVAILABLE

1100

OFFICE BUILDING VACANCY IN PRINCIPAL CITIES

CHARTED BY REAL ESTATE ANALYSTS, INC., SAINT LOUIS, FROM DATA FURNISHED BY THE NATIONAL ASSOCIATION OF BUILDING OWNERS AND MANAGERS



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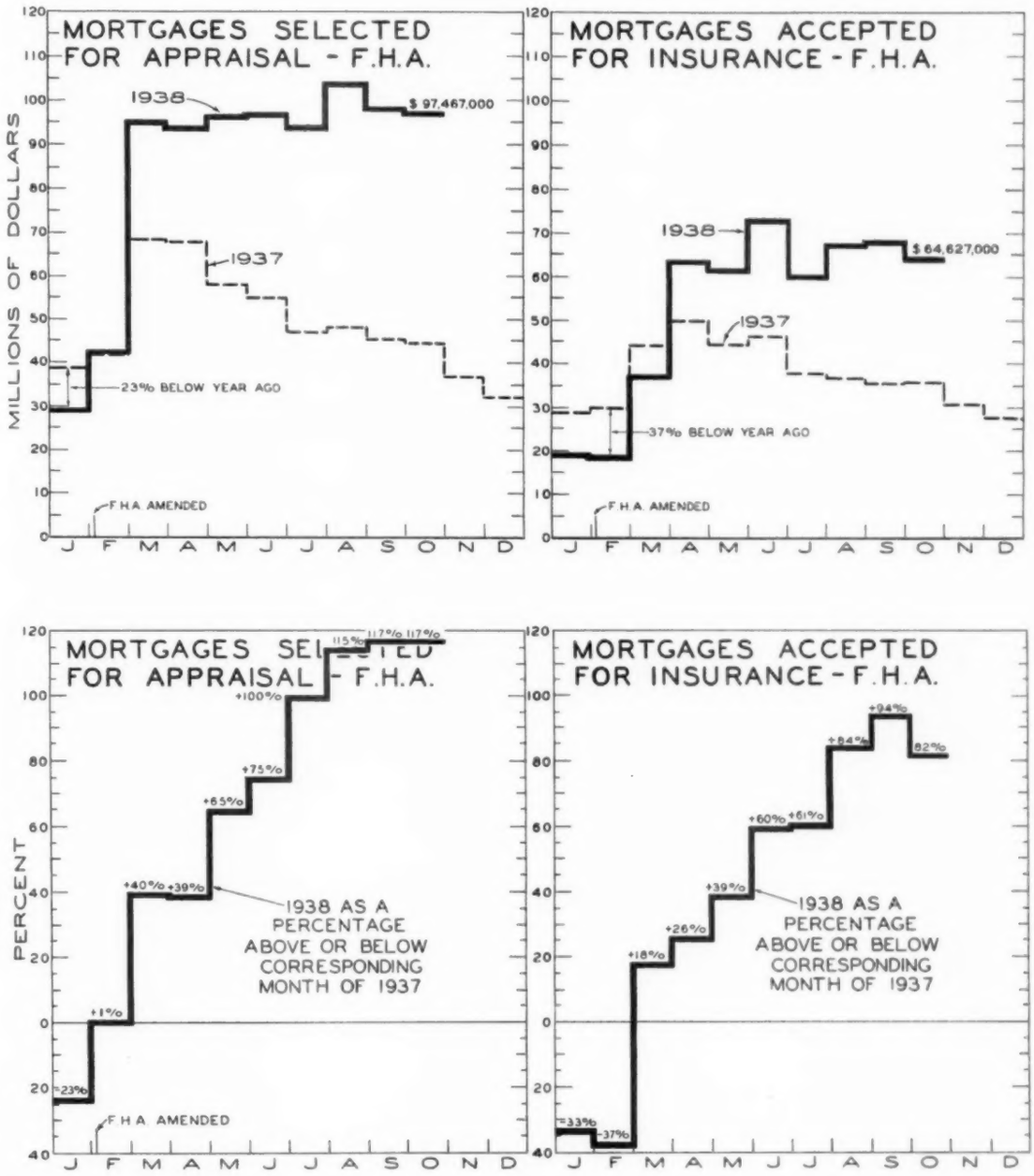
F.H.A. LOANS FORECAST INCREASED CONSTRUCTION



THE four charts above show the great increase over last year in the volume of FHA loans being made. On the two upper charts are shown the amounts of mortgages selected for appraisal and of mortgages accepted for insurance month by month in 1937 and 1938. The two lower charts are based on these same figures, but each month in 1938 is charted as a percentage above or below the corresponding month of 1937. The volume of mortgages selected for appraisal forecasts to some extent the volume of mortgages which will be accepted for insurance within the next few months. The present rate of FHA activity, although it shows a slight decrease from last month, is still running so far above a year ago that it forecasts a continuation of rapid increases in the building of lower-priced residences.

THE FUTURE OF INTEREST RATES

SOME of the factors which are responsible for the fluctuations in interest rates are shown on the large chart to the right and on the charts on page 1106. Before we explain these charts, however, let us look for a minute at the mortgage interest rate to find out of what it is composed. It seems to us that it is made up of four separate items, which we have listed below:

1. Pure Interest--By pure interest we mean the return to capital which would be necessary to attract sufficient capital into the market were there no risk whatever involved in the investment, if it required no supervision,and if the capital so invested could be withdrawn at any time. The interest rate on certain types of government bonds comes very near to being pure interest.

2. Clearly, a portion of the interest rate is a payment for the risk involved. Theoretically, this portion of the mortgage interest rate should be sufficient in a large number of cases to build up a reserve adequate in size to compensate for those losses in principal which will inevitably occur from time to time in this type of investment. This payment must clearly be larger on mortgages which involve a larger percentage of risk than in those where the risk element is reduced to a minimum.

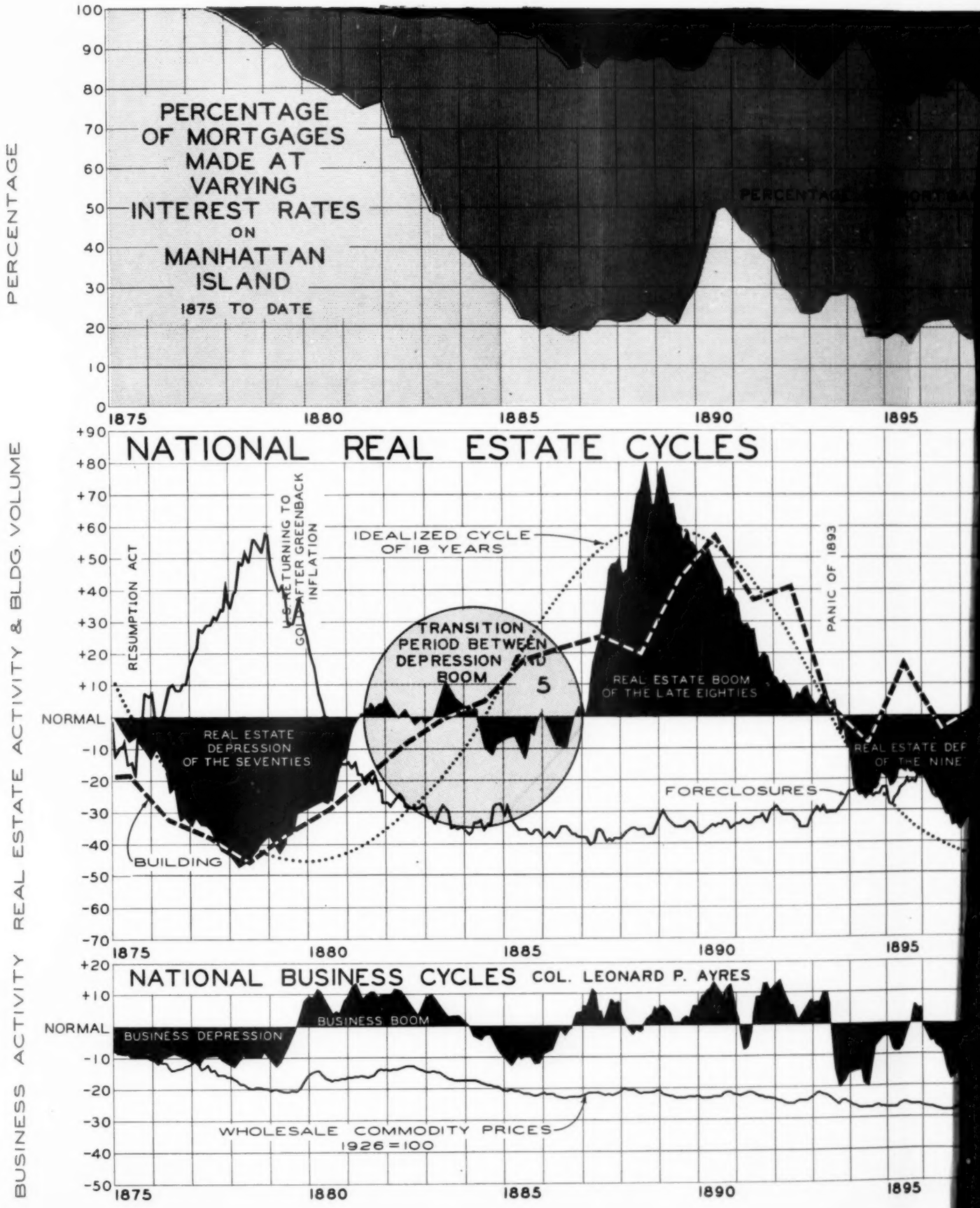
3. A part of the interest rate is plainly a return to management for the difficulty involved in keeping a fund of money continuously invested. In real estate mortgages it involves the original analysis of the investment, the periodic collection of interest, the checking up on taxes paid, and many other similar supervisory processes.

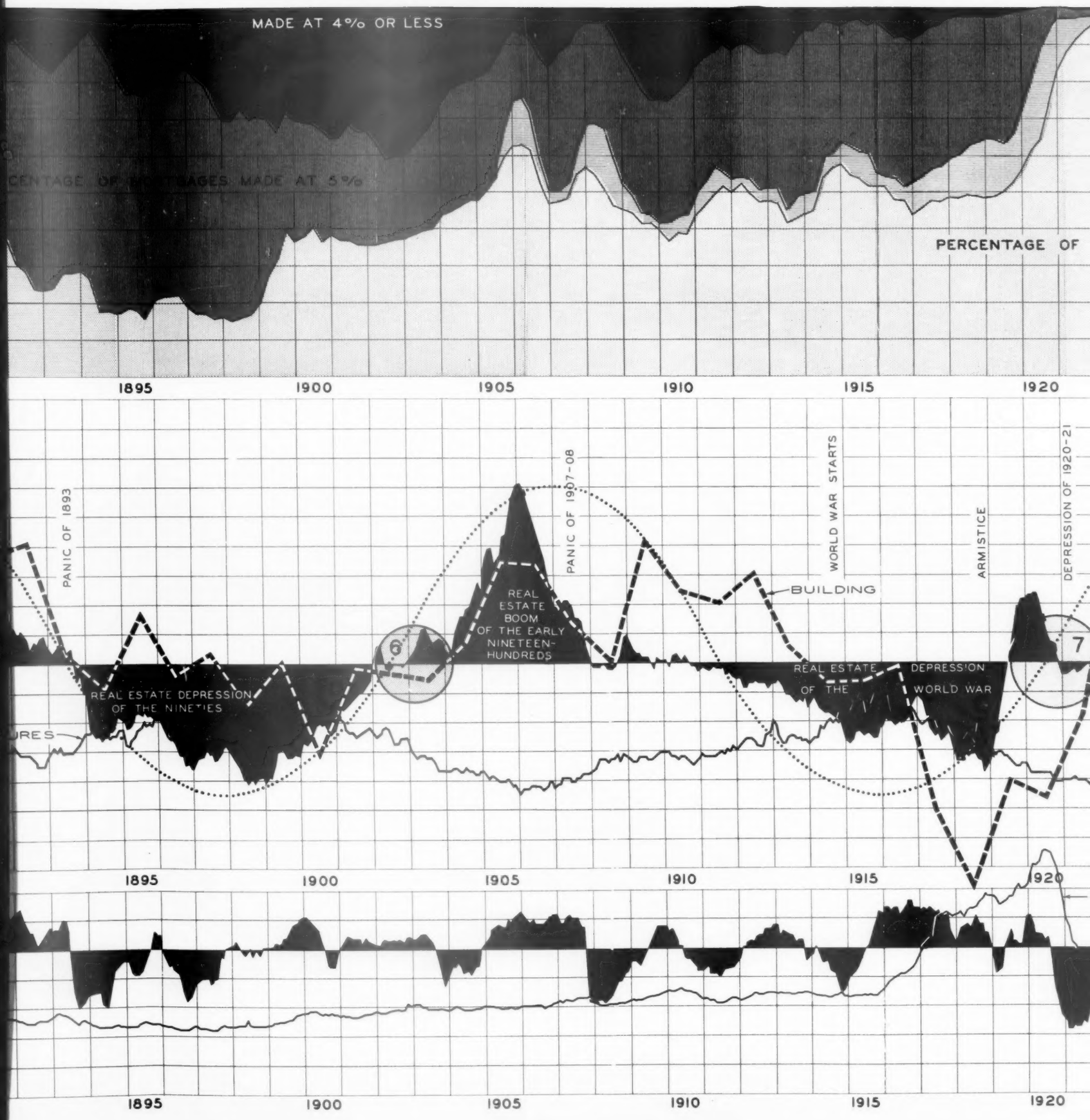
4. A portion of the mortgage interest rate is a compensation to the lender for an absence of liquidity of his investment. Every investing individual would prefer investments which can be quickly turned into cash without penalty. Real estate mortgages, on the other hand, are generally made for a period of years; and unless amortized regularly,even at the end of the mortgage it is sometimes necessary to make a new mortgage for approximately the same amount or take over the property.

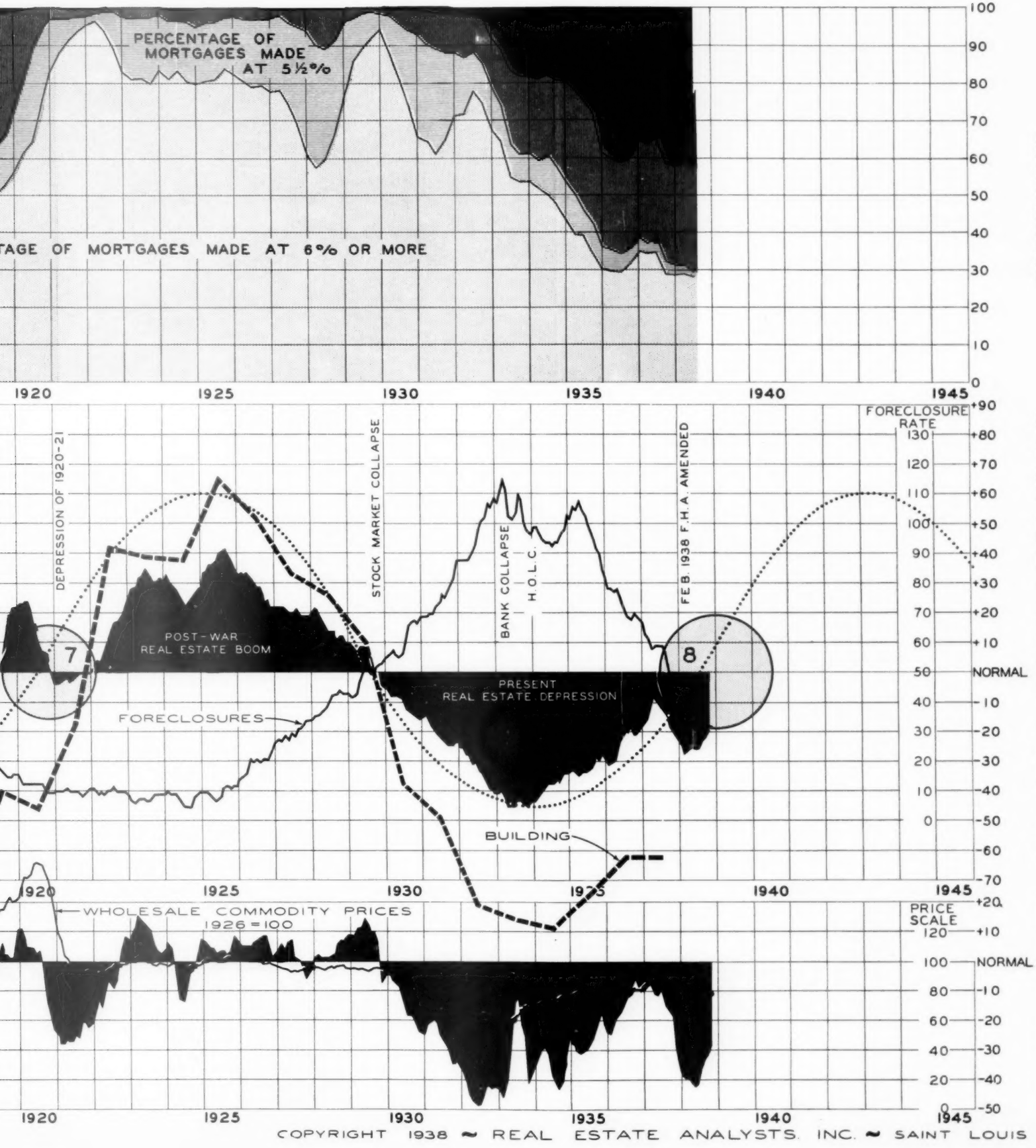
Now, with this knowledge of the various factors which enter into the mortgage rate let us look at the charts to find out how they may help us estimate the future.

At the top of the long chart we have attempted to reconstruct the past experience on interest rates from the records which are available on all real estate mortgages on Manhattan Island from 1879 to the present. We have adjusted these data for seasonal fluctuation. In this study all mortgage extensions, consolidations and agreements were eliminated; but purchase money mortgages were retained in the final tabulation after considerable thought. We realize that the inclusion of purchase money mortgages in a period like the present increases the percentage of mortgages made at lower rates of interest, as it is quite apparent from our figures

(continued on page 1106)


PERCENTAGE
PERCENTAGE OF MORTGAGES MADE AT VARYING INTEREST RATES ON MANHATTAN ISLAND 1875 TO DATE
100
90
80
70
60
50
40
30
20
10
0
1875
1880
1885
1890
1895
BUSINESS ACTIVITY REAL ESTATE ACTIVITY & BLDG. VOLUME
NATIONAL REAL ESTATE CYCLES
+90
+80
+70
+60
+50
+40
+30
+20
+10
NORMAL
-10
-20
-30
-40
-50
-60
-70
RESUMPTION ACT
RETURNING TO GOLD AFTER GREENBACK INFLATION
IDEALIZED CYCLE OF 18 YEARS
PANIC OF 1893
TRANSITION PERIOD BETWEEN DEPRESSION AND BOOM
5
REAL ESTATE BOOM OF THE LATE EIGHTIES
REAL ESTATE DEPRESSION OF THE SEVENTIES
REAL ESTATE DEP OF THE NINE
FORECLOSURES
BUILDING
1875
1880
1885
1890
1895
NATIONAL BUSINESS CYCLES COL. LEONARD P. AYRES
+20
+10
NORMAL
-10
-20
-30
-40
-50
BUSINESS BOOM
BUSINESS DEPRESSION
WHOLESALE COMMODITY PRICES
1926=100
1875
1880
1885
1890
1895


MADE AT 4% OR LESS
PERCENTAGE OF
1895
1900
1905
1910
1915
1920
PANIC OF 1893
PANIC OF 1907-08
WORLD WAR STARTS
ARMISTICE
DEPRESSION OF 1920-21
BUILDING
REAL ESTATE BOOM OF THE EARLY NINETEEN-HUNDREDS
REAL ESTATE DEPRESSION OF THE NINETIES
REAL ESTATE DEPRESSION OF THE WORLD WAR
6
7



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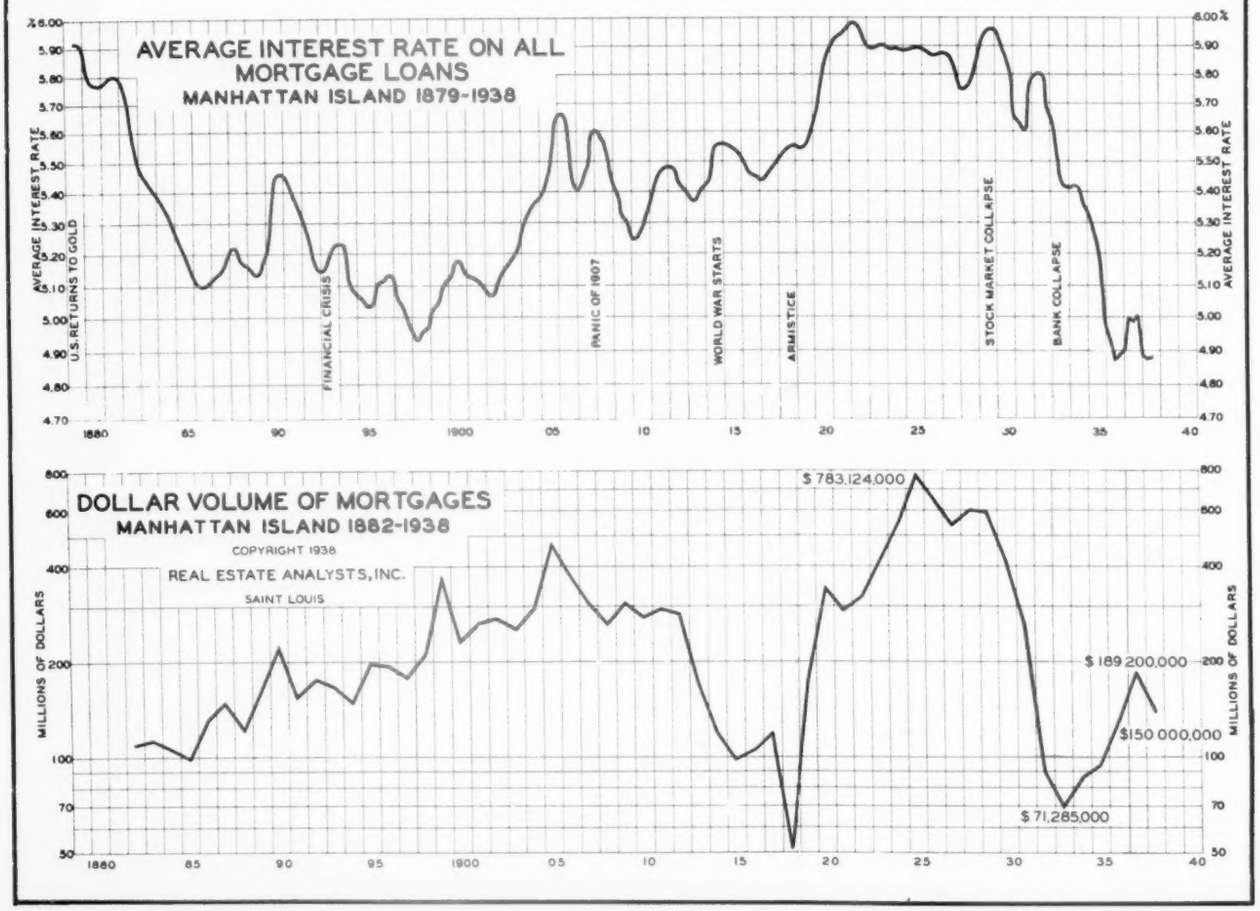
(continued from page 1102)
that during the past few years a large number of mortgage institutions have been selling property with a heavy purchase money mortgage at a rate of interest much below the rate they would expect on a new loan. This was also true to some extent in the early nineteen hundreds, when property accumulated during the big depression of the nineties was being liquidated. It apparently was not true to the same extent after the great depression of the seventies.

The question which probably arises first in regard to this study is why Manhattan Island was selected. The two chief reasons were that the figures were readily available and that mortgage money, unlike real estate, is liquid and can seek the most favorable market. An increase in the amount of mortgage money can flow into any market where the rate is high in relation to the risk, and can flow out of any market where the rate is low in relation to the risk. This fact, we believe, causes rather similar fluctuations in various cities as national credit ebbs and flows. Local factors will have some effect in modifying minor fluctuations.

For comparative purposes we have charted against the fluctuations in the number of mortgages made at the varying rates of interest the fluctuations in the real estate cycle and in general business. We have also indicated on the real estate cycle chart the transition periods which always occur between a real estate depression and the succeeding real estate boom.



The pure interest rate will be determined by the supply of and the demand for money for investment. In periods like the one through which we have just come there is little effective demand, while on the other hand, the supply of money and credit piles up in the banks and other mortgage institutions. This forces the pure interest rate down, as evidenced by the very low rate of return on government bonds of the first quality during periods of this type.

Everything else being equal, as industrial activity increases, the demand for money for investment will increase, as will the demand for mortgage money. Pure interest will advance materially during the next five to ten years. On the other hand, we anticipate that the payments necessary because of the risk involved will decrease as we get farther from the period in which foreclosure was the rule rather than the exception. The insured mortgage under the FHA plan has reduced the risk element materially. Also the FHA plan has affected to some extent that portion of the gross rate which repays management for the cost of keeping money invested. The amortized loan with the monthly collection and with the constant necessity of the re-investment of that portion of the loan which has been amortized involves considerable effort. The amortized loan for the individual lender is quite frequently impossible as principal is repaid in such small amounts that it cannot be re-invested except at long intervals, and during the interim no interest is earned on these principal payments. On the other hand, insured loans have become far more liquid than the old type of real estate mortgage; and this liquidity should have a slight effect in reducing the gross interest charge.

The upper chart at the bottom of page 1106 shows the average interest rate on all mortgage loans made on properties on Manhattan Island from 1879 to 1938. This chart was prepared by averaging the rate of all mortgages each quarter through the entire period and then adjusting the figures for seasonal. This is contrasted with the dollar volume of new mortgages recorded on Manhattan Island.

A close inspection reveals a number of interesting similarities. From 1885 to 1890 interest rates were recovering from the drops of the early eighties. The rise in interest rates was particularly rapid during the latter part of this period. This increase was undoubtedly caused by the rapid rise in mortgage volume at that time, as shown on the lower chart. Interest rates again hit a low spot in 1898, recovering to a temporary peak in 1900. This seems a logical result of the increasing mortgage volume from 1897 to 1899. Interest rates then went to a decided peak in 1906, accompanying a tremendous increase in mortgages from 1900 to 1905.

Financial panics seem to have the tendency to drive up interest rates temporarily. This is apparent in the panics of 1893, 1907, and 1929.

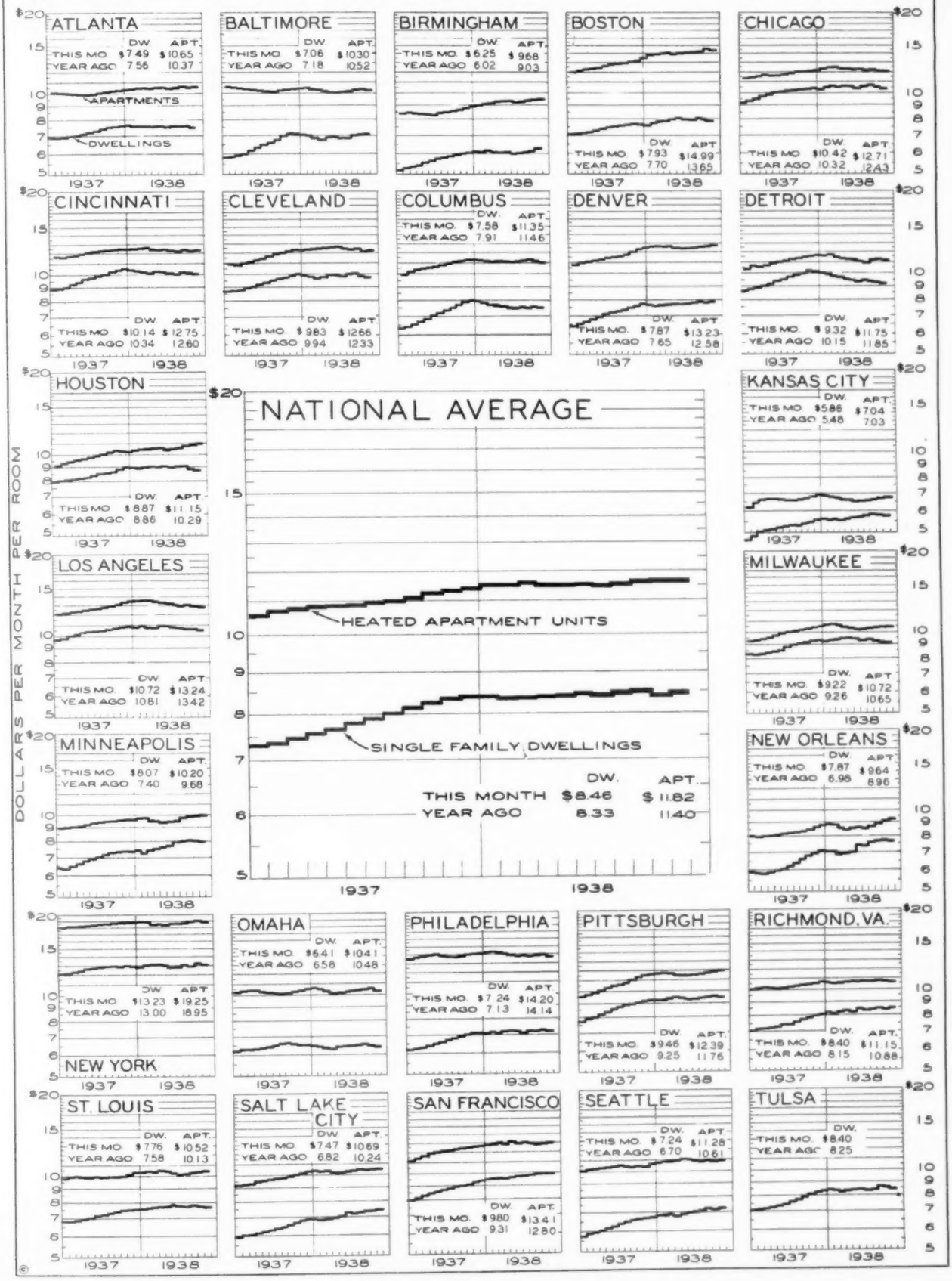
The volume of new mortgage financing will increase during the next five years, simulating to some degree the rapid rise from 1918 to 1925. Will this rapid rise result in an upturn in the average interest rate? If it does not, it will be the first time over the entire period of our study that rising volume did not result in an increase in the rate of interest.

THE REAL ESTATE ANALYST INDEX OF RESIDENTIAL RENTS

THE table below shows the residential rent figures charted by months on the page opposite. This is the revised index of residential rents which appeared in the Real Estate Analyst for the first time in the February issue. All rents are expressed in dollars per month per room. This makes possible a comparison of rent levels between different cities, and in the same city between heated and unheated units. The twenty-six cities selected are typical cities scattered from coast to coast. The method of computing this index is described on page 889 in the February, 1938, Real Estate Analyst.

	1937					1938									
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
SINGLE FAMILY DWELLINGS																
National Index	$8.04	$8.12	$8.23	$8.33	$8.36	$8.36	$8.35	$8.35	$8.37	$8.42	$8.47	$8.45	$8.50	$8.52	$8.50	$8.46
Atlanta	7.31	7.43	7.52	7.56	7.58	7.60	7.56	7.53	7.53	7.53	7.63	7.55	7.64	7.64	7.64	7.49
Baltimore	6.60	6.77	7.02	7.18	7.15	7.10	6.98	6.90	6.77	6.97	6.98	6.96	6.96	7.03	7.05	7.06
Birmingham	5.81	5.88	5.93	6.02	6.07	6.08	6.08	6.14	6.09	6.09	6.11	6.06	6.08	6.10	6.15	6.25
Boston	7.57	7.63	7.67	7.70	7.68	7.65	7.91	7.93	7.95	8.03	8.18	8.08	8.08	8.20	8.09	7.93
Chicago	10.20	10.26	10.30	10.32	10.35	10.30	10.43	10.69	10.67	10.69	10.67	10.48	10.72	10.73	10.56	10.42
Cincinnati	9.92	10.03	10.18	10.34	10.51	10.42	10.34	10.29	10.27	10.33	10.28	10.25	10.22	10.28	10.22	10.14
Cleveland	9.52	9.68	9.80	9.94	10.01	9.92	9.74	9.72	9.86	9.97	9.97	9.95	10.02	10.02	9.90	9.83
Columbus	7.40	7.57	7.73	7.91	8.03	7.98	7.85	7.71	7.70	7.69	7.64	7.64	7.69	7.65	7.66	7.58
Denver	7.32	7.40	7.54	7.65	7.75	7.73	7.69	7.70	7.71	7.75	7.75	7.80	7.85	7.87	7.86	7.87
Detroit	9.74	9.91	10.02	10.15	10.12	10.01	9.85	9.75	9.72	9.61	9.58	9.52	9.57	9.53	9.45	9.32
Houston	8.52	8.59	8.69	8.86	9.04	8.98	8.96	9.03	9.06	9.06	9.11	9.08	9.11	9.08	8.95	8.87
Kansas City	5.37	5.35	5.40	5.48	5.60	5.63	5.60	5.62	5.61	5.63	5.80	5.81	5.85	5.90	5.88	5.86
Los Angeles	10.47	10.58	10.70	10 81	10.88	10.86	10.89	10.87	10.87	10.94	11.00	10.92	10.87	10.80	10.80	10.72
Milwaukee	9.03	9.15	9.22	9.26	9.27	9.25	9.26	9.31	9.41	9.50	9.42	9.38	9.41	9.33	9.28	9.22
Minneapolis	7.23	7.32	7.37	7.40	7.39	7.46	7.41	7.47	7.64	7.70	7.86	8.04	8.13	8.14	8.11	8.07
New Orleans	6.43	6.63	6.82	6.98	7.13	7.07	7.04	6.98	6.92	7.04	7.57	7.55	7.78	7.85	7.90	7.87
New York	12.93	12.99	12.98	13.00	12.99	12.92	13.01	13.02	13.05	12.97	12.87	12.98	13.15	13.00	13.33	13.23
Omaha	6.64	6.65	6.62	6.58	6.58	6.50	6.42	6.40	6.36	6.42	6.47	6.48	6.50	6.53	6.47	6.41
Philadelphia	6.85	6.95	7.05	7.13	7.13	7.11	7.14	7.12	7.22	7.24	7.22	7.14	7.22	7.22	7.28	7.24
Pittsburgh	8.97	9.04	9.14	9.25	9.29	9.29	9.33	9.45	9.51	9.48	9.36	9.37	9.40	9.44	9.48	9.46
Richmond	7.80	7.95	8.09	8.15	8.15	8.29	8.25	8.30	8.39	8.30	8.50	8.37	8.40	8.41	8.36	8.40
Saint Louis	7.36	7.45	7.53	7.58	7.59	7.60	7.64	7.70	7.73	7.81	7.92	7.91	7.86	7.90	7.86	7.76
Salt Lake City	6.46	6.57	6.70	6.82	6.92	6.92	6.91	6.92	6.99	7.09	7.28	7.19	7.27	7.30	7.30	7.47
San Francisco	8.96	9.04	9.17	9.31	9.41	9.50	9.52	9.55	9.55	9.59	9.71	9.73	9.77	9.80	9.80	9.80
Seattle	6.52	6.61	6.66	6.70	6.72	6.85	6.94	6.95	6.90	6.99	7.01	7.06	7.12	7.25	7.22	7.24
Tulsa	7.76	7.92	8.12	8.25	8.37	8.40	8.24	8.23	8.27	8.34	8.50	8.44	8.53	8.69	8.65	8.40
HEATED APARTMENT UNITS																
National Index	11.07	11.17	11.28	11.40	11.49	11.58	11.58	11.67	11.63	11.63	11.65	11.64	11.67	11.80	11.82	11.82
Atlanta	10.09	10.20	10.30	10.37	10.40	10.45	10.52	10.53	10.50	10.53	10.60	10.52	10.57	10.62	10.60	10.65
Baltimore	10.38	10.41	10.47	10.52	10.52	10.57	10.52	10.51	10.43	10.37	10.38	10.40	10.43	10.53	10.55	10.30
Birmingham	8.75	8.85	8.92	9.03	9.14	9.26	9.33	9.35	9.41	9.42	9.55	9.48	9.51	9.58	9.65	9.68
Boston	13.22	13.35	13.50	13.65	13.91	14.20	14.35	14.52	14.62	14.49	14.53	14.55	14.62	14.81	15.07	14.99
Chicago	12.18	12.30	12.38	12.43	12.46	12.60	12.81	12.90	12.83	12.82	12.71	12.82	12.77	12.78	12.71	12.71
Cincinnati	12.31	12.45	12.52	12.60	12.67	12.68	12.73	12.82	12.81	12.80	12.85	12.77	12.74	12.83	12.73	12.75
Cleveland	11.89	12.08	12.25	12.33	12.30	12.42	12.50	12.54	12.62	12.73	12.95	12.80	12.78	12.82	12.73	12.66
Columbus	11.08	11.29	11.41	11.46	11.46	11.46	11.45	11.45	11.48	11.44	11.42	11.48	11.58	11.61	11.51	11.35
Denver	11.79	11.99	12.25	12.58	12.83	12.86	12.89	12.90	12.93	12.80	12.78	12.82	12.38	13.10	13.20	13.23
Detroit	11.55	11.63	11.76	11.85	11.91	11.96	12.00	11.98	11.89	11.85	11.75	11.69	11.57	11.75	11.78	11.75
Houston	10.09	10.21	10.30	10.29	10.27	10.37	10.37	10.48	10.55	10.58	10.50	10.58	10.70	11.00	11.03	11.15
Kansas City	6.88	6.90	6.95	7.03	7.09	7.04	6.98	6.97	6.93	6.91	6.80	6.87	6.90	6.95	7.00	7.04
Los Angeles	12.81	13.01	13.24	13.42	13.59	13.71	13.77	13.80	13.70	13.63	13.56	13.48	13.33	13.38	13.27	13.24
Milwaukee	10.35	10.49	10.59	10.65	10.70	10.72	10.77	10.72	10.71	10.62	10.53	10.54	10.58	10.65	10.70	10.72
Minneapolis	9.60	9.64	9.65	9.68	9.68	9.80	9.84	9.82	9.82	9.75	9.80	9.92	10.01	10.14	10.19	10.20
New Orleans	8.57	8.68	8.80	8.96	9.15	9.20	9.08	8.88	8.78	8.94	9.00	8.95	9.16	9.40	9.51	9.64
New York	18.59	18.70	18.83	18.95	18.98	19.00	19.00	18.87	18.91	18.87	19.02	19.10	19.20	19.40	19.53	19.25
Omaha	10.34	10.35	10.40	10.48	10.61	10.62	10.52	10.38	10.19	10.27	10.33	10.40	10.46	10.49	10.62	10.41
Philadelphia	13.99	14.00	14.10	14.14	14.18	14.22	14.27	14.25	14.22	14.10	14.05	14.20	14.16	14.23	14.25	14.20
Pittsburgh	11.14	11.34	11.60	11.76	11.88	11.90	11.98	11.98	11.93	11.93	11.94	12.00	12.05	12.20	12.28	12.39
Richmond	10.59	10.69	10.75	10.88	10.92	10.90	10.97	10.98	11.00	11.03	11.08	11.11	11.18	11.20	11.17	11.15
Saint Louis	9.98	10.01	10.08	10.13	10.24	10.35	10.41	10.40	10.48	10.43	10.34	10.30	10.32	10.41	10.49	10.52
Salt Lake City	9.90	9.98	10.12	10.24	10.35	10.36	10.33	10.38	10.31	10.43	10.50	10.59	10.69	10.67	10.68	10.69
San Francisco	12.45	12.55	12.68	12.80	12.89	12.96	13.02	13.13	13.03	13.19	13.14	13.32	13.30	13.27	13.30	13.41
Seattle	10.61	10.60	10.61	10.61	10.81	10.89	11.00	11.02	11.10	11.37	11.38	11.28	11.27	11.32	11.27	11.28

RESIDENTIAL RENTS IN TYPICAL CITIES



REAL ESTATE TRANSFERS IN PRINCIPAL CITIES

1933 TO 1938

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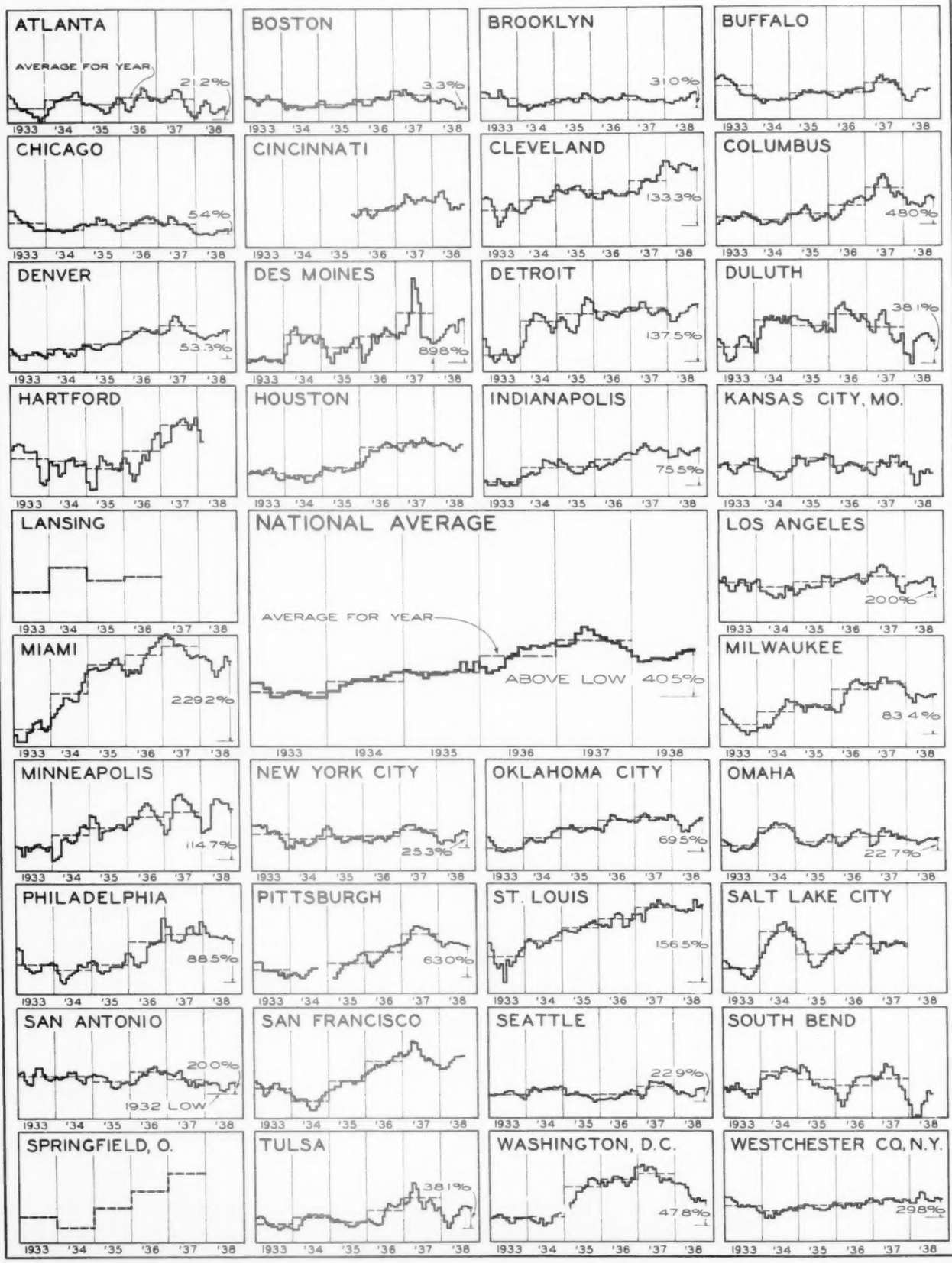
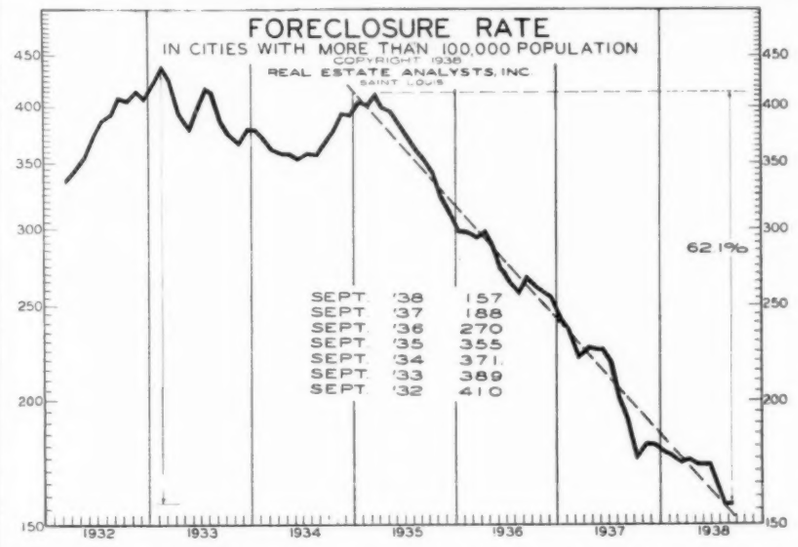
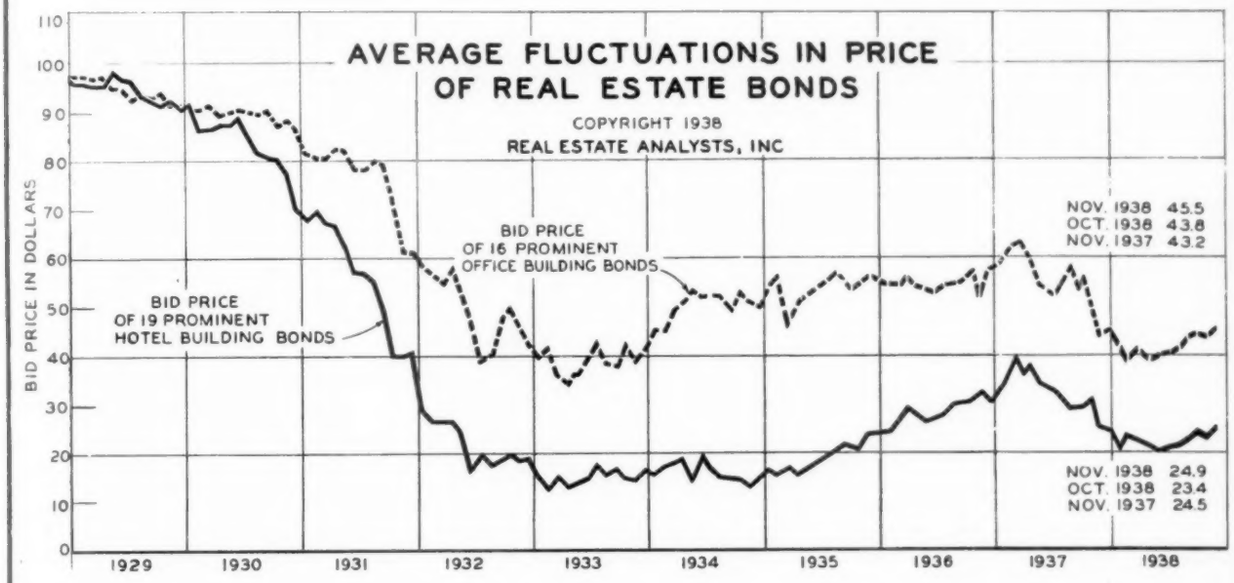




THE chart to the left shows the monthly fluctuations in the foreclosure rate in cities having more than 100,000 population. This chart is corrected for seasonal fluctuation and is based on the compilations made by the HOLC. The dashed line shows the trend at which foreclosures have been dropping for the past four years. The figure for September, which is the last figure available, shows no change in comparison with the preceding month in spite of the alarming European situation which developed then.



THE chart above shows the average fluctuations in the bid prices of office and hotel building bonds. The recovery of the last month has carried them back to the levels of October, 1937. The buildings used are only those on which quotations can be secured monthly. The office building list includes the following: Broadway Motors, Bryant Park, Bush Terminal, Carbide and Carbon, Chesebrough, Chrysler, Cleveland Terminal, Equitable (N. Y.), Graybar, Grant, Liggett, One LaSalle Street, Postum, Textile, Wanamaker (Phila.), Woodbridge. The hotel list includes the following: Bowman-Biltmore, Eastern Ambassador Hotel, Eppley Hotels, George Washington Hotels, Hotel Lexington, Hotel Sherman, Hotel St. George, LaSalle Hotel, Lord Baltimore, National Hotel of Cuba, Palace Hotel (San Francisco), Park Central Hotel, Pitts Hotel, Savoy-Plaza, Sevilla-Biltmore, Sherry-Netherland, Stevens Hotel, Waldorf-Astoria.